

BELCHER

MINING CORPORATION LIMITED

ANNUAL REPORT

for the year ended December 31, 1966



ASSOCIATE LITTLE LONG LAC GOLD MINES LIMITED





This symbol has been selected to represent Canada's Centennial of Confederation in 1967—literally Canada's National 100th birthday symbol. This is an ingenious design of eleven equilateral triangles arranged together into a symbolic Maple Leaf, representing the ten provinces and the Canadian Northern Territories.

IMMEDIATE RELEASE

BELCHER MINING TO DRILL

JUN 17 1968

BASE METAL PROPERTY IN NEW BRUNSWICK

Toronto, June 12: - Belcher Mining Corporation Limited will carry out a diamond drilling program on a base metal property which the company holds under option in Bathurst, New Brunswick, Douglas Banks, president, reported at the annual meeting of shareholders here today.

Under an agreement with Tetagouche Exploration Company and New Calumet Mines, Belcher Mining will expend \$50,000 on a deeper diamond drilling program on the property in consideration of a 25 per cent interest in the property and stock options, which, if fully exercised, would give Belcher Mining 62.5 per cent interest in the property. The drilling is expected to commence in July.

Previous shallow drilling on the property has indicated a zinc-lead-silver bearing zone for a length of 6,000 feet.

Shareholders re-elected directors.

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Authorized By:

Belcher Mining Corporation Limited,
Toronto, Ontario.

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OFFICERS: DOUGLAS BANKS - - - - - *President*
J. C. L. ALLEN - - - - - *Vice-President*
MISS B. A. ARGO - - - - - *Secretary*
D. M. LORIMER - - - - - *Comptroller*

DIRECTORS: JOHN C. L. ALLEN DOUGLAS BANKS
PETER A. ALLEN, P.ENG. P. K. HANLEY
MISS B. A. ARGO ROBERT C. STANLEY, JR.

**TRANSFER
AGENT:** CANADA PERMANENT TRUST COMPANY, Toronto, Ont.

AUDITORS: GUNN, ROBERTS AND CO., Toronto, Ontario

HEAD OFFICE: Suite 400, 112 King Street West, Toronto, Ontario

PRESIDENT'S LETTER TO SHAREHOLDERS

The Annual Report, including the Financial Statements and the Auditors' Report thereon for the fiscal year ended December 31st, 1966, is presented herewith. Your Company continued to retain its one-third equity with Wright-Hargreaves Mines, Limited and Malartic Gold Fields (Quebec) Limited in the development of the Great Whale Iron Mines Limited deposits and the equal participation with Lun-Echo Gold Mines Limited in the Doran Lake iron ore deposits.

GREAT WHALE IRON MINES LIMITED:

No exploration was carried out on the Mining Concessions because none was required to maintain the properties in good standing. In 1966, the Great Whale Company provided funds for further studies in connection with extending railroad services to Great Whale. When completed, the feasibility report will be presented to the Government of the Province of Quebec.

Tonnage and Grade Estimates:

As it is not feasible to include herewith the comprehensive report on the Great Whale Iron Mines Limited deposits with accompanying tabulations, maps, etc., or the full abstract thereof, prepared by Lloyd M. Scofield, Duluth, Minnesota — the Company's Consulting Mining Geologist — the essential figures only as contained in his letter to the President dated December 10th, 1960, accompanying the abstract of the report are given:

"You will note that, together, the deposits contain an estimated 942 million long tons of crude concentrating ore which can readily be made available to open-pitting by the removal of 361 million tons of waste. Known but unestimated iron formation will, when developed by drilling, increase these figures notably. The crude will yield 383 million tons of concentrates containing 67.1% iron and 5.5% silica. The concentration ratio from crude ore to concentrate is thus 2.46 to 1. An average grind of 85% minus 200 mesh is required to liberate the concentrates. The power required to reduce the magnetite-bearing portion of the crude from minus 20 mesh to liberation size is 19.5 KWH per long ton. These figures give the Great Whale deposits a favourable position in competition with other orebodies of equivalent availability to market."

The essential figures and summary remarks coming out of the entire investigation by Mr. Scofield as quoted above, require no elaboration on our part.

DORAN LAKE:

The Doran Lake iron deposits in the Lake St. Joseph Area, Ontario, in which your Company shares an equal interest with Lun-Echo Gold Mines Limited (48 $\frac{1}{2}$ % each and up from 42 $\frac{1}{2}$ % each in 1965) are becoming more important as activity in the general area increases and as the target date for production in 1968 draws closer at the nearby Bruce Lake iron deposits. This undoubtedly enhances the production chances for Doran Lake which is somewhat closer to the main railway line than Bruce Lake.

BELCHER ISLANDS:

Your Company's main group of claims covering the iron ore deposits on Innetalling Island continue to be retained in good standing.

GENERAL EXPLORATION:

Tetagouche Exploration Company Limited, in which your Company has an interest along with New Calumet Mines Limited, completed further surveys (ground and airborne) during 1966 in the Gaspé Area, Quebec. Plans for testing the anomalous areas outlined are being formulated.

Several property submissions were reviewed during the year and not deemed to be of sufficient merit to warrant further exploration or development. Your Company will continue the search for new mining situations in 1967.

Respectfully submitted,

On behalf of the Board,

DOUGLAS BANKS,

President.

March 30, 1967.

(Incorporated under the laws of Ontario)



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ASSETS

		1965 for Comparison
CURRENT ASSETS		
Cash	4,807	4,036
Short term deposits	92,000	75,000
Marketable securities at cost (quoted market value 1966 \$2,199,500; 1965 \$2,417,000)	1,617,941	1,617,941
Accounts receivable	23	2,802
	<hr/> 1,714,771	<hr/> 1,699,779
INTEREST IN OTHER COMPANIES at cost		
Associated companies		
Listed (quoted market value 1966 \$201,100; 1965 \$243,800) ...	365,274	365,274
Other	317,093	312,219
Advances	8,000	8,000
Other company	57,498	52,498
	<hr/> 747,865	<hr/> 737,991
MINING PROPERTIES AND CLAIMS at the value placed on 1,810,000 shares issued therefor plus \$2,000 cash less \$18,000 written off	165,000	163,000
INTEREST IN OIL ROYALTY at cost less amount written off	8,000	8,000
DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED	862,397	889,156
	<hr/> \$3,498,033	<hr/> \$3,497,926

STATEMENT OF FINANCIAL POSITION • DECEMBER 31, 1966

LIABILITIES

		1965 for Comparison
CURRENT LIABILITIES		
Accounts payable	6,961	6,954
	<hr/>	<hr/>
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized — 7,000,000 shares of \$1 each		
Issued — 5,600,000 shares	5,600,000	5,600,000
Less discount on shares (net)	1,955,755	1,955,755
	<hr/>	<hr/>
	3,644,245	3,644,245
Deduct deficit	153,173	153,173
	<hr/>	<hr/>
	3,491,072	3,491,072
	<hr/>	<hr/>
Approved on behalf of the Board:		
 DOUGLAS BANKS, Director.		
 J. C. L. ALLEN, Director.		
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	\$3,498,033	\$3,497,926
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NOTE: For comparative purposes, certain 1965 items have been reclassified on the same basis as is used for statement presentation for 1966.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Belcher Mining Corporation Limited as at December 31, 1966 and the statements of development and administrative expenditures deferred, and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GUNN, ROBERTS and CO.,
Chartered Accountants.

Toronto, Canada,
March 3, 1967.

**STATEMENT OF DEVELOPMENT AND
ADMINISTRATIVE EXPENDITURES DEFERRED**

FOR THE YEAR ENDED DECEMBER 31, 1966

		1965 for Comparison
DEVELOPMENT		
Mining claims fees and taxes	559	909
ADMINISTRATIVE		
Management, accounting, secretarial and engineering services	24,000	27,000
Directors' fees	4,800	4,800
Meetings and reports	2,956	2,658
Share transfer expenses	2,470	2,328
Legal and audit	712	925
Sundry	217	2,963
	<u>35,155</u>	<u>40,674</u>
	<u>35,714</u>	<u>41,583</u>
DEDUCT		
Investment income (less \$1,050 loss on sale of bonds in 1965) ..	61,070	57,832
Oil royalties received	1,403	1,878
	<u>62,473</u>	<u>59,710</u>
Income less expenditures for the year	26,759	18,127
Balance deferred at beginning of the year	889,156	907,283
Balance deferred at end of year	<u>\$ 862,397</u>	<u>\$ 889,156</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1966

		1965 for Comparison
SOURCE OF FUNDS		
Income less expenditures for year	26,759	18,127
APPLICATION OF FUNDS		
Investment in other companies	9,874	216,728
Purchase of mining claims	2,000	
	<u>11,874</u>	<u>216,728</u>
Increase (decrease) in working capital position	14,885	(198,601)
Working capital at beginning of year	1,692,925	1,891,526
Working capital at end of year	<u>\$1,707,810</u>	<u>\$1,692,925</u>

